

Washington, DC – U.S. Congressman Ciro D. Rodriguez (TX-23) voted Wednesday for H.R. 3639, which moves up the effective dates for legislation designed to stem abusive practices by credit card companies.

“Economic times are tough enough without credit card companies engaging in deceitful practices and taking more money from consumers,” said Congressman Rodriguez. “Some companies were taking advantage of the 2010 start date to exploit consumers with raised interest rates, increased minimum payments and additional fees. By accelerating the start date of this law, my colleagues and I taking a step to protect taxpayer dollars and level the playing field.” Rodriguez said the legislation – which passed with broad bipartisan support - is critical to level the playing field between consumers and the largest credit card issuers, which control more than 80 % of the credit card market.

H.R. 3639 was originally passed with effective dates in 2010 for some provisions. Wednesday’s vote moves the original start dates from February 22, 2010 and August 22, 2010 to immediately following the President’s signing of the bill.

The revised bill phase-in dates and requirements are:

August 20, 2009

– Credit card companies to provide written notice of interest rate hikes or other significant changes to an account – Inform consumers of their right to cancel a card prior to the rate hike – Send statements to consumers 21 days before the due date for payments

Immediately following Presidential signing (originally February 22, 2009)

– Prohibits arbitrary interest rate hikes and universal default on existing balances – Prohibits over-limit charges unless approved by cardholder – Requires payments over the minimum amount to be applied to higher interest rate balances first – Prohibits early morning deadlines for payment – Prohibits interest charges on debt paid in a timely manner – Requires parental/guardian consent or proof of means for card applicants under 21 years of age

Immediately following Presidential signing (originally August 22, 2010)

– Requires *reasonable* penalty fees – Requires creditors to routinely review interest rate hikes since January 2009 and reduce them when warranted

To ensure this timeline is workable, the bill keeps the original effective date of February 22, 2010 for small credit card issuers with less than two million cardholder accounts and for prepaid gift cards, many of which are already printed with terms and conditions and are now on the way to retailers for the 2009 holiday season.

For more information about the issue of credit card abuse and research by the Pew Charitable Trusts, visit http://www.pewtrusts.org/our_work_detail.aspx?id=616.

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